motilal oswal
Financial Services

22 April 2026
4QFY26 Result Update | Sector: Technology

Tech Mahindra

Estimate change	⟷
TP change	⟷
Rating change	⟷

Bloomberg	TECHM IN
Equity Shares (m)	980
M.Cap.(INRb)/(USDb)	1433.1 / 15.3
52-Week Range (INR)	1854 / 1304
1, 6, 12 Rel. Per (%)	0/7/5
12M Avg Val (INR M)	3186

Financials & Valuations (INR b)

Y/E Mar	FY26	FY27E	FY28E
Sales	568	625	666
EBIT Margin (%)	12.6	14.8	14.8
Adj. PAT	50.1	73.0	79.0
Adj. EPS (INR)	56.5	82.2	88.9
PAT	48.1	73.0	79.0
EPS (INR)	54.2	82.2	88.9
EPS Gr. (%)	13.1	51.6	8.2
BV/Sh. (INR)	334.2	346.3	359.5
Ratios			
RoE (%)	17.6	24.2	25.3
RoCE (%)	21.4	26.0	26.7
Payout (%)	90.3	85.0	85.0
Valuations			
P/E (x)	28.0	20.4	18.4
P/BV (x)	5.3	5.1	4.9
EV/EBITDA (x)	16.1	13.2	11.9
Div Yield (%)	3.0	4.2	4.6

Shareholding pattern (%)

As On	Dec-25	Sep-25	Dec-24
Promoter	35.0	35.0	35.0
DII	38.0	34.8	30.9
FII	17.9	20.6	24.2
Others	9.1	9.6	9.9

FII Includes depository receipts

CMP: INR1,463 **TP: INR1,750 (+20%)** **Buy**

On a firm footing

FY27 margins on track

- Tech Mahindra (TECHM) reported 4QFY26 revenue of USD1.6b, up 0.6% QoQ in CC, in line with our estimate of 0.5% CC growth. BFSI/Technology rose 8.0%/2.5% QoQ, whereas Retail declined 5.3% QoQ (in USD terms). EBIT margin was up 70bp QoQ at 13.8%, beating our estimate of 13.6%.
- Adj. PAT stood at INR14b (up 2.2% QoQ/16% YoY), below our estimate of INR15b. NN deal TCV of USD1,073m was down 2.1% QoQ/up 34.5% YoY.
- In INR terms, revenue/EBIT/adj. PAT grew 7.2%/39.2%/17.9% YoY in FY26. In 1QFY27, we expect revenue/EBIT/adj. PAT to grow by 14.9%/48.6%/51.9% YoY. Free cash flow stood at 115% of net profit in FY26. FY26 RoE came in at 17.6% (vs. 15.7%/13.3%/18.5% in FY25/FY24/FY23). **We reiterate BUY on TECHM with a TP of INR1,750 (implying 20% upside), based on 20x FY28E EPS.**

Our view: Large deal wins provide growth visibility

- **Telecom stable despite potential client-specific issues**: Telecom growth has held up better than expected, up ~5.6% YoY/1.8% QoQ in 4Q and ~2.6% YoY in FY26, supported by Comviva and improving stability in the largest client. **TechM's telecom portfolio is more diversified and mature across IT, BPS, network services and products**, working with 100+ operators globally, which reduces dependence on any single client or service line. **We believe the Communications vertical is likely to stay resilient vs. prior quarters,** supported by a large Europe deal won in 3QFY26.
- **Margin story intact**: EBIT margin improved to 13.8% in 4Q (+70bp QoQ) and 12.6% in FY26 (+290bp YoY). **Management reiterated its FY27 margin target of ~15%** and indicated that expansion is 'not too dependent on growth'. Most of the improvement is expected from gross margin, delivery efficiencies and pricing. Fixed-price contracts carry ~8% higher margins than T&M and remain a key lever.
- With most cost actions in place, we expect TechM to move closer to ~15% margins, **though we keep some buffer given the uncertain demand environment. We build in 14.8% EBIT margin for FY27.**
- **Risks from client budget cuts loom, but higher-than-peers FY27 growth looks achievable**: Management indicated higher confidence in better YoY growth in FY27, with part of the revenue already locked in from strong deal wins (USD3.79b TCV in FY26, +42% YoY). **The company closed two large deals in consecutive quarters, including a USD500mn+ telecom deal and a five-year global partnership with Orange Business.**
- That said, some budget cuts and client-specific uncertainties persist across verticals. With industry growth seen at ~2-5%, TechM aims to outperform. **We believe FY27 growth of ~4.5% YoY cc is achievable**, though deal conversion and client budget stability remain key monitorables.

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- **Vertical mix improving gradually**: BFSI showed strong traction (+8% QoQ in 4Q) with continued client additions, though ramp-ups were gradual. Manufacturing remained steady, led by aerospace and industrials, while auto is stabilizing. Retail continued to perform well, supported by logistics and e-commerce deals. Hi-tech and healthcare remained soft, though both saw some stabilization in 2H. Overall, growth drivers are becoming more broad-based, but the shift will take time.
- **Management reiterated FY27 growth and margin targets**: Management reiterated its FY27 targets of above-peer growth and ~15% EBIT margin. The setup is supported by healthy deal wins, stable telecom and margin visibility. **While margin delivery looks largely in control, growth recovery will depend on execution in an uncertain environment,** especially deal ramp-ups.

Valuation and change in estimates

- We keep our estimates unchanged, reflecting steady directional progress. We estimate FY27 EBIT margins at 14.8%, which would result in a 25% CAGR in INR PAT over FY26-28. Early signs of a turnaround in Communications vertical, supported by a large Europe deal, improve confidence in the medium-term growth outlook.
- The ongoing restructuring under the new leadership is tracking well and this quarter was another step in the right direction. We continue to like TECHM's bottom-up turnaround story. **We value TECHM at 20x FY28E EPS with a TP of INR1,750 (20% upside). We reiterate our BUY rating on the stock.**

Revenue in line with our estimate and beat on margins; healthy deal TCV growth

- Revenue stood at USD1.6b, up 0.6% QoQ CC (up 0.9% QoQ in USD terms), in line with our estimate of 0.5% QoQ CC growth. For FY26, revenue stood at USD6.4b, up 0.6% YoY CC.
- IT service/BPO were up 1%/0.5% QoQ. The Americas declined 0.8%, whereas Europe grew 2.7% QoQ.
- BFSI/Technology rose 8.0%/2.5% QoQ. Retail declined 5.3% QoQ (in USD terms).
- EBIT margin was up 70bp QoQ at 13.8%, beating our estimate of 13.6%. For full year, margins stood at 12.6%, up 330bp YoY.
- Net employee reduction of 2,713 (down 1.8% QoQ). Utilization (ex. trainees) was down 50bp QoQ at 86.1%. LTM attrition was down by 20bp at 12.1%.
- New deal TCV was USD1073m, down 2.1% QoQ/up 34.5% YoY.
- Adj. PAT stood at INR14b (up 2.2% QoQ/16% YoY), below our estimate of INR15b. For full year, adj. PAT stood at INR50b, up 2% YoY.
- FCF conversion to PAT stood at 68% vs. 131% in 3QFY26.
- The board of directors approved the final dividend of INR36/share.

Key highlights from the management commentary

- Geopolitical backdrop remains challenging but management is encouraged by how client trust and engagement have deepened over the past two years.
- Closed two mega deals in consecutive quarters: 3Q – European telco deal (USD500m+ TCV over five years); 4Q – global partnership with Orange Business (five-year collaboration) focused on AI, automation, cloud, cybersecurity, and digital platforms.
- USD50m+ clients increased by four YoY to 29; USD20m+ clients expanded by seven YoY to 66 in Europe.

- FY27 is expected to show more visible contribution from seeds already planted across BFS, manufacturing, healthcare, retail/CPG, and energy and utilities.
- Management plans to unveil a new three-year FY30 vision once FY27 targets are met. Commitment is that the new plan will be ‘attractive and credible’ in equal measure.
- BFSI has longer buying and ramp-up cycles. Strategy is to deepen relationships in the Americas and APJ by winning new clients and scaling them over time.

Valuation and view

We remain positive about the restructuring at TECHM under the new leadership. But we expect the impact from these steps to be visible gradually. With the continued strength in BFSI, early signs of a turnaround in the communications and improving operational efficiency, we see room for continued margin improvement ahead. We value TECHM at 20x FY28E EPS with a TP of INR1,750 (20% upside). We reiterate our BUY rating on the stock.

Quarterly Performance (INR b)

Y/E March	FY25				FY26				FY25	FY26	Est.	Var.
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q			4QFY26	(% / bp)
Revenue (USD m)	**1,559**	**1,589**	**1,567**	**1,549**	**1,564**	**1,586**	**1,610**	**1,625**	**6,264**	**6,385**	**1,626**	**-0.1**
QoQ (%)	0.7	1.9	-1.4	-1.1	1.0	1.4	1.5	0.9	-0.2	1.9	1.0	-9bp
Revenue (INR b)	**130**	**133**	**133**	**134**	**134**	**140**	**144**	**151**	**530**	**568**	**148**	**1.6**
YoY (%)	-1.2	3.5	1.4	4.0	2.7	5.1	8.3	12.6	1.9	7.2	10.9	179bp
GPM (%)	**26.5**	**27.9**	**28.8**	**29.2**	**28.7**	**29.1**	**30.3**	**31.0**	**28.1**	**29.8**	**30.5**	**50bp**
SGA (%)	**14.5**	**14.8**	**15.2**	**15.2**	**14.2**	**13.7**	**13.9**	**14.0**	14.9	13.9	**13.6**	39bp
EBITDA	**16**	**18**	**18**	**19**	**19**	**22**	**24**	**26**	**70**	**90**	**25**	**2.3**
EBITDA Margin (%)	**12.0**	**13.1**	**13.6**	**14.0**	**14.5**	**15.5**	**16.4**	**17.0**	**13.2**	**15.9**	**16.9**	**12bp**
EBIT	**11**	**13**	**14**	**14**	**15**	**17**	**19**	**21**	**51**	**72**	**20**	**3.3**
EBIT Margin (%)	**8.5**	**9.6**	**10.2**	**10.5**	**11.1**	**12.1**	**13.1**	**13.8**	**9.7**	**12.6**	**13.6**	**22bp**
Other income	1	4	-1	1	1	0	-1	-3	5	-3	1	-495.6
ETR (%)	26.7	26.6	23.9	22.0	30.2	27.5	25.3	24.2	24.8	26.7	28.0	-375bp
Adj. PAT	**9**	**13**	**10**	**12**	**11**	**12**	**13**	**14**	**43**	**50**	**15**	**-10.5**
QoQ (%)	-12.2	46.8	-21.4	18.7	-2.2	4.7	10.9	2.2			14.2	-1196bp
YoY (%)	-10.9	27.8	36.8	20.3	34.0	-4.4	34.7	16.0	17.4	17.9	29.6	-1358bp
Extra-Ordinary Item	0.0	0.0	0.0	0.0	0.0	0.0	2.0	0.0	0.0	2.0	0.0	
Reported PAT	**9**	**13**	**10**	**12**	**11**	**12**	**11**	**14**	**43**	**48**	**15**	**-10.5**
EPS (INR)	**9.6**	**14.1**	**11.1**	**13.2**	**12.9**	**13.5**	**14.9**	**15.2**	**47.9**	**56.5**	**17.0**	**-10.6**

E: MOFSL Estimates

Key Performance Indicators

Y/E March	FY25				FY26				FY25
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Revenue (QoQ CC %)	0.7	0.7	1.2	-1.5	-1.4	1.6	1.7	0.6	
Margins (%)									
Gross Margin	26.5	27.9	28.8	29.2	28.7	29.1	30.3	31.0	28.1
EBITDA margin	12.0	13.1	13.6	14.0	14.5	15.5	16.4	17.0	13.2
EBIT Margin	8.5	9.6	10.2	10.5	11.1	12.1	13.1	13.8	9.7
Net Margin	6.5	9.4	7.4	8.7	8.5	8.5	9.2	9.0	8.0
Operating Metrics									
Headcount (k)	148	154	150	149	149	153	150	148	149
Util excl. trainees (%)	86.0	86.0	86.0	86.0	85.0	84.4	86.6	86.1	86.0
Attrition (%)	10.0	10.6	11.2	11.8	12.6	12.8	12.3	12.1	11.8
Deal TCV (USD m)	534	603	745	798	809	816	1096	1073	2,680
Key Verticals (QoQ %)									
Communication	-2.0	2.8	-4.0	1.0	2.8	-1.9	2.8	1.8	-6.5
Enterprise	2.1	1.4	0.0	-2.2	0.1	3.1	1.1	0.3	3.2
Key Geographies (QoQ%)									
North America	3.9	-0.6	-1.9	-5.8	2.6	2.6	3.1	-0.9	-2.5
Europe	-2.6	4.5	-3.0	6.4	3.4	-0.9	2.3	2.5	0.0

CONFERENCE CALL

Highlights from TECHM's analyst day

Demand and industry outlook; comments by CEO Mr. Mohit Joshi

- Geopolitical backdrop remains challenging but management is encouraged by how client trust and engagement have deepened over the past two years.
- Closed two mega deals in consecutive quarters: 3Q – European telco deal (USD500m+ TCV over five years); 4Q – global partnership with Orange Business (five-year collaboration) focused on AI, automation, cloud, cybersecurity, and digital platforms.
- FY27 is expected to show more visible contribution from seeds already planted across BFS, manufacturing, healthcare, retail/CPG, and energy and utilities.
- Management plans to unveil a new three-year FY30 vision once FY27 targets are met. Commitment is that the new plan will be 'attractive and credible in equal measure.'
- BFSI has longer buying and ramp-up cycles. Strategy is to deepen relationships in the Americas and APJ by winning new clients and scaling them over time.
- **Communications:** TechM has a unique and complete proposition in Comms - IT, network services, BPS, and software (Comviva). Comviva growing much faster than the rest of the company, adding Tier-1 clients across BSS and marketing analytics.
- Orange Business global partnership (4Q mega deal) is expected to accelerate deal ramp-up as TechM enters FY27.
- **Retail, Travel and Logistics:** Management is bullish about the portfolio under the strong vertical leadership.
- **Europe:** USD50m+ clients increased by four YoY to 29; USD20m+ clients expanded by seven YoY to 66.
- **The Americas:** Management strategy in the Americas focused on entering new BFSI logos and scaling them over time rather than relying on large incumbent positions.
- Headcount management through internal redeployment – productivity gains in fixed-price portfolio (over half of revenue) are freeing up existing talent rather than needing new hires.
- Enterprise-wide cloud core training program launched to strengthen AI engineering capabilities. Associates are being enabled across three strategic AI platforms - Cloud Core, Devon, and Cursor.
- AI increasingly embedded in all large deals. Clients are transitioning from pilots to scaled multi-year programs integrated into their operating models.
- Key partnerships: Microsoft - launched ontology-driven agentic AI platform for telecom and enterprise data modernization built on Microsoft Fabric and Azure AI Foundry; NVIDIA - AI-powered telco network operations reasoning agent aimed at Level 4 autonomous networks; FICO - AI-powered decisioning for BFSI clients.

Q&A session:

- FY27 growth confidence higher than FY26 - certain growth already "locked in." Some client-level uncertainty remains around sharp discretionary cuts, but overall resilience described as strong enough to support confidence. Industry growth seen around "2-4%" or "3-5%"; TechM's target is to outperform, not track a fixed number.
- Fears of large-deal closures in February/March are getting delayed after new AI model announcements that did not materialize.

- Management expects to grow faster than peers in FY27 as well. Key confidence drivers: quality of leadership team, sticky large-account growth, and a large deal book.
- Recent large deals described as margin-accretive from the outset.
- **BFSI:** BFSI no longer treated as one single unit - split into Banking and financial services, Insurance, and Banking products group, each under separate leadership.
- Financial services growing modestly but faster than the rest of the portfolio. New client additions expected to accelerate this further.
- Orion positioned as an orchestration platform, not just an agent builder - core value combines domain expertise with model stitching and agent creation. Enterprise value lies in making multiple agents work together "in harmony." Around 350 agents already built; differentiation is the workflow layer around agentic systems, not raw agent count. Frontier model companies not treated as a direct threat.
- Higher experience mix reframed as a market response, not just inefficiency - clients increasingly value deeper system and industry understanding, a trend visible across peers too. Strategy: repurpose a rich experienced talent pool and secure proper billing rates. About 6,000 freshers added in year one; "950 odd" freshers added in FY26. Higher fresher intake planned for FY27.
- Smart factory and physical AI seen as medium-to-long-term differentiation opportunities in manufacturing. SAP upgrade cycles also a tailwind.
- Telecom concentration risk is more resilient than peer comparisons imply - peers often depend on three or four large telco clients; TechM serves "100+ operators across the world" with no excessive dependence on any single client. Global spread adds structural protection. Telecom business mix extends beyond IT - resilience supported by IT, BPS, network services, and Comviva products. Network services especially resilient: "the network is the heart of the enterprise."

Margin performance

- 4Q EBIT margin at 13.8%, up 70bp QoQ. Project Fortius, forex tailwinds, and Comviva seasonality contributed positively. Ongoing transition costs in the large deal partially offset gains.
- Full-year EBIT margin at 12.6%, up about 290bp YoY. Operating profit for FY26 at USD797m, up 31.4% YoY.
- Gross margin expansion expected to remain the primary driver going forward. Project Fortius remains focused on delivery-led efficiency, pricing improvement, utilization, and fixed-price productivity - majority of margin gains going ahead will come from gross margin, not SG&A.
- Effective tax rate was 24.3% in 4Q and close to 27% in FY26. Normalized ETR for FY27 expected to remain in a similar range.
- Free cash flow for FY26 was USD616m, which is 115% of reported PAT. Cash and equivalents at USD892m. DSO at 89 days, broadly stable.
- FY27 margin expansion not heavily dependent on growth - "not too much dependency on growth" was the explicit framing. Cost actions can absorb a normal growth shortfall. Only an extreme scenario where "the world goes totally topsy turvy" was flagged as making execution difficult.
- T&M vs. fixed-price margin gap estimated at close to 8% - identified as the biggest FY27 lever. Foundation work on margins largely done; next phase of improvement expected to come "most from fixed price." Strategic use of the margin pool remains open between AI investment and growth - AI described as a "very, very humongous new area."

Exhibit 1: BFSI-led growth in 4QFY26

Verticals	Contribution to revenue (%)	Growth (QoQ %)
Comm., Media, and Ent.	33.4	1.8
Manufacturing	18.1	-0.2
Technology	13.5	3.2
BFSI	16.6	8.1
Retail, Transport, and Logistics	8.2	-4.9
Others	2.9	-73.9

Exhibit 2: Europe showed strong sequential growth

Geographies	Contribution to revenue (%)	Growth (QoQ %)
Americas	49.7	-0.9
Europe	26.0	2.5
Rest of the World	24.3	2.6

Valuation and view

We remain positive about the restructuring at TECHM under the new leadership. But we expect the impact from these steps to be visible gradually. With the continued strength in BFSI, early signs of a turnaround in the communications and improving operational efficiency, we see room for continued margin improvement ahead. We value TECHM at 20x FY28E EPS with a TP of INR1,750 (20% upside). We reiterate our BUY rating on the stock.

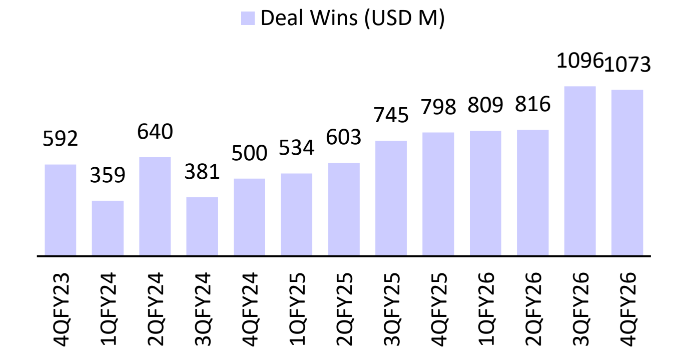
Exhibit 3: Changes to our estimates

	Revised		Earlier		Change	
	FY27E	FY28E	FY27E	FY28E	FY27E	FY28E
INR/USD	93.8	94.1	93.8	94.1	0.0%	0.0%
USD Revenue (m)	6,666	7,007	6,694	7,089	-0.4%	-1.1%
Growth (%)	4.4	5.1	4.8	5.9	-40bps	-80bps
EBIT margin (%)	14.8	14.8	14.7	14.8	10bps	0bps
Adj. PAT (INR b)	73	79	72	78	0.9%	1.1%
Adj. EPS	82.2	88.9	81.6	88.1	0.7%	1.0%

Source: MOFSL, Company

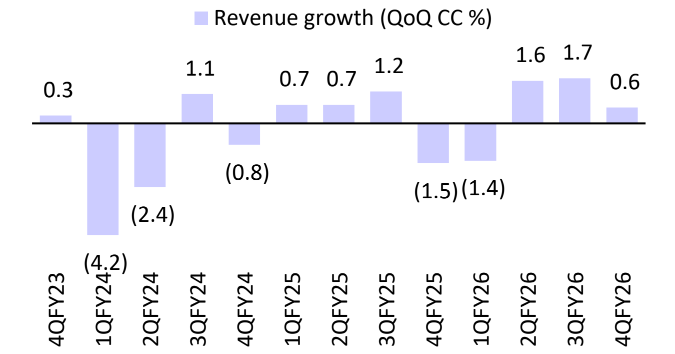
Story in charts

Exhibit 4: Net new deals continue to grow, up 34.5% YoY



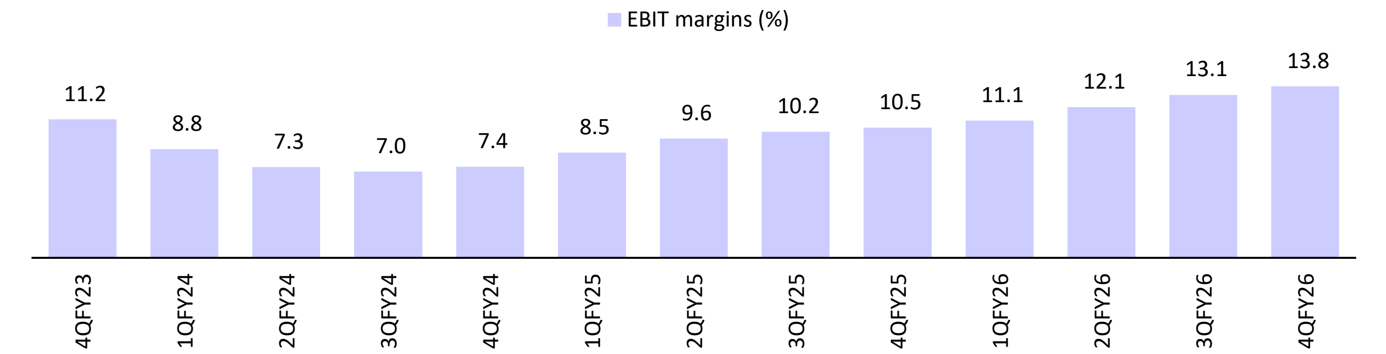
Source: Company, MOFSL

Exhibit 5: Revenue grew 0.6% QoQ CC



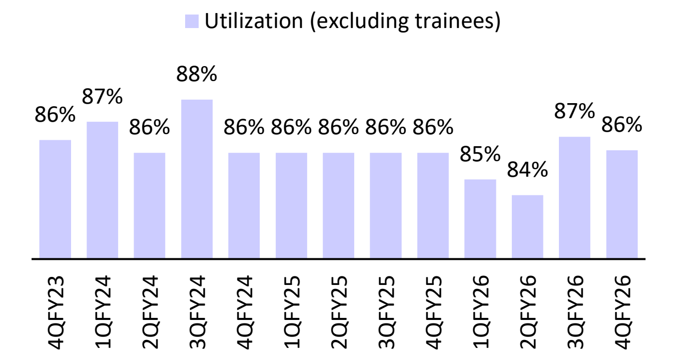
Source: Company, MOFSL

Exhibit 6: TECHM continues margin expansion story, fixed cost project optimization drive the show



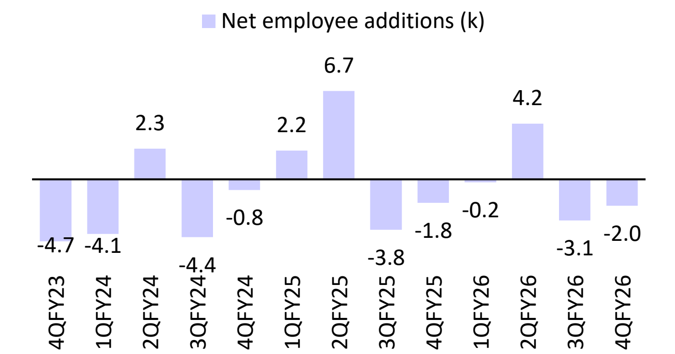
Source: Company, MOFSL

Exhibit 7: Utilization decline ~100bp



Source: Company, MOFSL

Exhibit 8: Headcount declined 2k in 4QFY26



Source: Company, MOFSL

Exhibit 9: Operating metrics

	4QFY24	1QFY25	2QFY25	3QFY25	4QFY25	1QFY26	2QFY26	3QFY26	4QFY26
Revenue by Geography (%)									
Americas	50.8	52.4	51.1	50.8	48.4	49.2	49.8	50.6	49.7
Europe	24.2	23.4	24.0	23.6	25.4	26.0	25.4	25.6	26.0
Rest of World	25.0	24.2	24.9	25.6	26.2	24.8	24.8	23.9	24.3
Vertical Split (%)									
Telecom	34.0	33.1	33.4	32.5	33.2	33.8	32.7	33.1	33.4
Manufacturing	18.0	18.3	17.2	16.8	17.0	17.5	18.1	18.3	18.1
Tech | Media | Entertainment	13.8	13.8	14.3	14.3	13.2	13.3	13.1	13.2	13.5
BFSI	15.7	15.7	15.8	16.1	16.7	16.4	16.8	15.5	16.6
Retail | Transport | Logistics	7.3	7.7	7.9	8.1	8.1	7.9	8.5	8.7	8.2
Others	11.2	11.4	11.4	12.2	11.8	11.1	10.8	11.2	2.9
No. of Million $ clients									
USD1m+	553	545	545	540	540	529	520	521	512
USD5m+	190	191	195	191	195	193	194	196	194
USD10m+	114	113	109	104	106	108	106	111	112
USD20m+	63	61	61	61	59	60	63	64	66
USD50m+	23	24	25	25	25	26	26	28	29
Client concentration (%)									
Top 5 Clients	16	15	15	15	16	16	16	15	15
Top 6-10	10.0	10.0	10.0	9.0	9.0	9.2	8.7	9.1	9.4
Top 11-20	13.0	13.0	14.0	14.0	13.7	13.8	12.8	13.4	13.7
Headcount									
Software professionals	80,925	80,417	80,618	80,865	80,609	79,987	78,528	76,194	75,377
BPO	55,492	58,177	64,940	61,053	59,636	60,278	66,095	65,450	64,330
Sales and support	9,038	9,026	8,715	8,570	8,486	8,252	8,091	7,972	7,916
Total	1,45,455	1,47,620	1,54,273	1,50,488	1,48,731	1,48,517	1,52,714	1,49,616	1,47,623
IT Attrition (LTM %)	10	10	11	11	12	13	13	12	12
IT Utilization (%)	86	86	86	86	86	85	84	87	86
IT Utilization (excl. trainees)	86	86	86	86	86	85	84	87	86
DSO - incl. unbilled	92	93	94	88	88	95	94	90	89
Borrowings (USD m)	184	127	116	109	55	29	30	14	7
Cash and Cash Equivalent (USD m)	949	966	784	799	896	941	821	853	892
Capital Expenditure (USD m)	24	13	16	20	20	NA*	NA*	NA*	NA*

*Note: Company has discontinued reporting; Source: Company, MOFSL

Financials and valuations

Income Statement							(INR b)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Sales	**446**	**533**	**520**	**530**	**568**	**625**	**666**
Change (%)	17.9	19.4	-2.4	1.9	7.2	10.1	6.4
COGS	310	381	391	381	399	435	462
Gross Profit	**137**	**152**	**129**	**149**	**169**	**190**	**204**
SGA expenses	57	71	71	79	79	77	83
EBITDA	**80**	**80**	**58**	**70**	**90**	**113**	**121**
% of Net Sales	18.0	15.1	11.1	13.2	15.9	18.0	18.1
Depreciation	15	20	18	19	19	20	22
EBIT	**65**	**61**	**40**	**51**	**72**	**93**	**99**
% of Net Sales	14.6	11.4	7.6	9.7	12.6	14.8	14.8
Other Income	10	6	5	5	-3	4	5
PBT	**75**	**67**	**45**	**56**	**68**	**96**	**104**
Tax	18	16	8	14	18	24	25
Rate (%)	24.4	23.7	18.5	24.8	26.7	24.5	24.0
Minority interest	1	1	0	0	0	0	0
Share from associates	0	0	0	0	0	0	0
Extraordinary Items (EO)	0	-2	-13	0	2	0	0
Adjusted PAT	**56**	**51**	**36**	**43**	**50**	**73**	**79**
Change (%)	22.1	-8.9	-28.5	17.4	17.9	45.6	8.2

Balance Sheet							(INR b)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Share Capital	4	4	4	4	4	4	4
Reserves	264	275	262	269	292	303	314
Net Worth	**269**	**279**	**267**	**274**	**296**	**307**	**319**
Minority Interest	5	5	5	4	5	5	5
Loans	16	16	15	5	1	1	1
Other LT liabilities	36	31	23	28	36	39	40
Amount pending invest.	12	12	12	12	12	12	12
Capital Employed	**338**	**343**	**322**	**323**	**349**	**363**	**377**
Assets	**149**	**149**	**139**	**140**	**149**	**149**	**148**
Investments	4	6	5	3	1	1	1
Other non-current assets	50	62	56	66	68	75	80
Curr. Assets	**245**	**244**	**234**	**237**	**276**	**295**	**312**
Debtors	75	81	71	65	75	84	90
Cash & Bank Balance	38	41	43	43	50	47	49
Investments	46	30	32	31	34	49	64
Other Current Assets	86	93	88	97	116	115	109
Current Liab. & Prov	**111**	**119**	**112**	**122**	**144**	**157**	**164**
Net Current Assets	**134**	**126**	**122**	**115**	**131**	**138**	**148**
Application of Funds	**338**	**343**	**322**	**323**	**349**	**363**	**377**

Financials and valuations

Ratios							
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
Basic (INR)							
EPS	**63.4**	**57.6**	**41.0**	**48.0**	**56.6**	**82.3**	**89.1**
Diluted EPS	**62.9**	**57.3**	**40.9**	**47.9**	**56.5**	**82.2**	**88.9**
Cash EPS	80.0	76.7	47.2	68.8	75.4	104.7	113.7
Book Value	306.0	317.1	302.1	309.0	334.2	346.3	359.5
DPS	45.0	50.0	40.0	45.0	51.0	69.8	75.6
Payout (%)	71.6	87.3	97.7	93.9	90.3	85.0	85.0
Valuation (x)							
P/E ratio	23.1	25.4	35.7	30.5	25.9	17.8	16.4
Cash P/E ratio	18.3	19.1	31.0	21.3	19.4	14.0	12.9
EV/EBITDA ratio	15.7	15.7	21.9	18.0	13.8	11.1	10.3
EV/Sales ratio	2.8	2.4	2.4	2.4	2.2	2.0	1.9
Price/Book Value	4.8	4.6	4.8	4.7	4.4	4.2	4.1
Dividend Yield (%)	3.1	3.4	2.7	3.1	3.5	4.8	5.2
Profitability Ratios (%)							
RoE	21.5	18.5	13.3	15.7	17.6	24.2	25.3
RoCE	21.0	18.6	12.4	16.4	21.4	26.0	26.7
Turnover Ratios							
Debtors (Days)	61	56	50	45	48	49	49
Fixed Asset Turnover (x)	3.0	3.6	3.7	3.8	3.8	4.2	4.5
Leverage Ratio							
Debt/Equity Ratio (x)	0.1	0.1	0.1	0.0	0.0	0.0	0.0

Cash Flow Statement							(INR b)
Y/E March	**FY22**	**FY23**	**FY24**	**FY25**	**FY26**	**FY27E**	**FY28E**
CF from Operations	67	74	51	61	77	93	101
Change in Working Capital	-14	-18	13	-3	-15	1	5
Net Operating CF	**53**	**56**	**64**	**58**	**62**	**94**	**105**
Net Purchase of FA	-8	-10	-7	-5	-5	-20	-21
Free Cash Flow	**45**	**46**	**56**	**53**	**56**	**74**	**84**
Net Purchase of Invest.	13	7	-6	5	1	-15	-15
Net Cash from Invest.	**5**	**-3**	**-13**	**0**	**-4**	**-35**	**-36**
Inc./(Dec.) in Equity	1	0	0	0	0	0	0
Proceeds from LTB/STB	-8	-9	-9	-20	-11	0	0
Dividend Payments	-40	-43	-39	-38	-40	-62	-67
Cash Flow from Fin.	**-47**	**-51**	**-48**	**-58**	**-51**	**-62**	**-67**
Other adjustments	0	1	0	0	1	0	0
Net Cash Flow	**11**	**3**	**3**	**0**	**7**	**-3**	**2**
Opening Cash Balance	**27**	**38**	**41**	**43**	**43**	**50**	**47**
Add: Net Cash	11	3	3	0	7	-3	2
Closing Cash Balance	**38**	**41**	**43**	**43**	**50**	**47**	**49**

Explanation of Investment Rating	
Investment Rating	**Expected return (over 12-month)**
BUY	>=15%
SELL	< - 10%
NEUTRAL	< - 10 % to 15%
UNDER REVIEW	Rating may undergo a change
NOT RATED	We have forward looking estimates for the stock but we refrain from assigning recommendation

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